



p 208-673-5335 / f 208-673-6200 / e atc@atcnet.net / a 225 W. North St. Albion, ID 83311

REDACTED- FOR PUBLIC INSPECTION

October 16, 2013

VIA OVERNIGHT DELIVERY

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, DC 20554

RE: **Confidential Financial Information Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Before the Federal Communications Commission**

Dear Ms. Dortch:

Albion Telephone Company, Inc ("Albion Telephone"), a privately-held rate of return carrier receiving high cost support, has electronically submitted FCC Form 481 to the Commission with redacted financial data, in compliance with 47 C.F.R. §§ 54.313 and 54.422

As specified in the Protective Order issued on November 16, 2012 by the Commission, two copies of the redacted confidential information are being filed simultaneously with the non-redacted confidential information. The redacted information for this filing and each page of the file where confidential information has been omitted is marked "REDACTED - FOR PUBLIC INSPECTION"

Please feel free to contact me with any questions regarding this particular matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rich Redman', is written over a horizontal line.

Rich Redman, Vice President
For Moss Adams LLP

Enclosures

.cc Mr. Charles Tyler, FCC Telecommunications Access Policy Division
Ms. Grace Seaman, Idaho Public Utilities Commission

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

| | |
|---|--------------------|
| <010> Study Area Code | 472213 |
| <015> Study Area Name | ALBION TEL CO-ATC |
| <020> Program Year | 2014 |
| <030> Contact Name: Person USAC should contact with questions about this data | Julie Laumb |
| <035> Contact Telephone Number: Number of the person identified in data line <030> | 208-673-5335 |
| <039> Contact Email Address: Email of the person identified in data line <030> | jlaumb@atccomm.com |

| ANNUAL REPORTING FOR ALL CARRIERS | | 54.313 Completion Required | 54.422 Completion Required |
|---|---|-------------------------------------|-------------------------------------|
| <100> Service Quality Improvement Reporting | (complete attached worksheet) | (check box when complete) | |
| <200> Outage Reporting (voice) | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <210> <input checked="" type="checkbox"/> <-- check box if no outages to report | | | |
| <300> Unfulfilled Service Requests (voice) | 0 | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <310> Detail on Attempts (voice) | (attach descriptive document) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <320> Unfulfilled Service Requests (broadband) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <330> Detail on Attempts (broadband) | (attach descriptive document) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <400> Number of Complaints per 1,000 customers (voice) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <410> Fixed | 2.8368794E-4 | | |
| <420> Mobile | | | |
| <430> Number of Complaints per 1,000 customers (broadband) | | | |
| <440> Fixed | | | |
| <450> Mobile | | | |
| <500> Service Quality Standards & Consumer Protection Rules Compliance | (check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <510> 4722131d510 | (attach descriptive document) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <600> Functionality in Emergency Situations | (check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <610> 4722131d500 | (attach descriptive document) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <700> Company Price Offerings (voice) | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <710> Company Price Offerings (broadband) | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <800> Operating Companies and Affiliates | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/> | (if yes, complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1000> Voice Services Rate Comparability | (check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1010> | (attach descriptive document) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/> | (if not, check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1110> | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1200> Terms and Condition for Lifeline Customers | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet
 Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

| | | | |
|--------|-----------------------------------|-------------------------------------|-------------------------------------|
| <2000> | (check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <2005> | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

| | | | |
|--------|-----------------------------------|-------------------------------------|-------------------------------------|
| <3000> | (check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <3005> | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

| | | |
|-------|---|--|
| <010> | Study Area Code | 472213 |
| <015> | Study Area Name | ALBION TEL CO-ATC |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Julie Laumb |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 208-673-5335 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jlaumb@atccomm.com |
| <110> | Has your company received its ETC certification from the FCC? | (yes / no) <input type="radio"/> <input checked="" type="radio"/> |
| | If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 | |
| <111> | year plan" filed with the FCC? | (yes / no) <input type="radio"/> <input type="radio"/> |

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

| |
|--------------------------|
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |

[illegible]

| | |
|---|---|
| (700) Price Offerings including Voice Rate Data Data Collection Form | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013 |
|---|---|

| | | |
|-------|---|--------------------|
| <D10> | Study Area Code | 472213 |
| <D15> | Study Area Name | ALBION TEL CO-ATC |
| <D20> | Program Year | 2014 |
| <D30> | Contact Name - Person USAC should contact regarding this data | Julie Laumb |
| <D35> | Contact Telephone Number - Number of person identified in data line <D30> | 208-673-5335 |
| <D39> | Contact Email Address - Email Address of person identified in data line <D30> | jlaumb@atccomm.com |

<701> Residential Local Service Charge Effective Date
<702> Single State-wide Residential Local Service Charge

1/1/2013

[illegible]

| | | |
|-------|---|--------------------|
| <010> | Study Area Code | 472213 |
| <015> | Study Area Name | ALBION TEL CO-ATC |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Julie Laumb |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 208-673-5335 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jlaumb@atccomm.com |

[illegible]

| | |
|---------------------------|--|
| (800) Operating Companies | FCC Form 481 |
| Data Collection Form | OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013 |

| | | |
|-------|---|--------------------------|
| <010> | Study Area Code | 4722113 |
| <015> | Study Area Name | ALBION TEL CO-ATC |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Julie Laumb |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 208-673-5335 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jlaumb@atccomm.com |
| <810> | Reporting Carrier | Albion Telephone Company |
| <811> | Holding Company | |
| <812> | Operating Company | Albion Telephone Company |

[illegible]

**(900) Tribal Lands Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

| | | |
|-------|---|--------------------|
| <010> | Study Area Code | 472213 |
| <015> | Study Area Name | ALBION TEL CO-ATC |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Julie Laumb |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 208-673-5335 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jlaumb@atccomm.com |

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

| Select (Yes, No, NA) |
|----------------------------|
| |
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**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

| | | |
|-------|---|--------------------|
| <010> | Study Area Code | 472213 |
| <015> | Study Area Name | ALBION TEL CO-ATC |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Julie Laumb |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 208-673-5335 ✓ |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jlaumb@atccomm.com |

Please check this box to confirm no terrestrial backhaul
<1120> options exist within the supported area pursuant to § 54.313(G) ☐

Please check this box to confirm the reporting carrier offers
<1130> broadband service of at least 1 Mbps downstream and 256 kbps
upstream within the supported area pursuant to § 54.313(G) ☒

(1200) Terms and Condition for Lifeline Customers**Lifeline
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

| | | |
|-------|---|--------------------|
| <010> | Study Area Code | 472213 |
| <015> | Study Area Name | ALBION TEL CO-ATC |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Julie Laumb |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 208-673-5335 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jlaumb@atccomm.com |

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of attached document (.pdf)

<1220> Link to Public Website

HTTP www.atonet.net

"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒

<1222> Details on the number of minutes provided as part of the plan, ☒

<1223> Additional charges for toll calls, and rates for each such plan. ☒

(2000) Price Cap Carrier Additional Documentation**Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

| | | |
|-------|---|--------------------|
| <010> | Study Area Code | 472213 |
| <015> | Study Area Name | ALBION TEL CO-ATC |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Julie Laumb |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 208-673-5335 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jlaumb@atccomm.com |

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}
 <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

☐
☐
Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- <2012> 2013 Frozen Support Certification
 <2013> 2014 Frozen Support Certification
 <2014> 2015 Frozen Support Certification
 <2015> 2016 and future Frozen Support Certification

☐
☐
☐
☐
Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

- <2016> Certification Support Used to Build Broadband

☐
Connect America Phase II Reporting {47 CFR § 54.313(e)}

- <2017> 3rd year Broadband Service Certification
 <2018> 5th year Broadband Service Certification
 <2019> Interim Progress Certification
 <2020> Please check the box to confirm that the attached PDF, on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

☐
☐
☐
☐

- <2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

| | | |
|-------|---|--------------------|
| <010> | Study Area Code | 472213 |
| <015> | Study Area Name | ALBION TEL CO-ATC |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Julie Laumb |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 208-673-5335 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | jlaumb@atccomm.com |

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan

| | | | |
|--------|--|--|--|
| (3010) | Milestone Certification (47 CFR § 54.313(f)(1)(i)) Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. | Name of Attached Document Listing Required Information | <input type="checkbox"/> |
| (3012) | Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii)) | Name of Attached Document Listing Required Information | |
| (3013) | Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) | | <input checked="" type="checkbox"/> (Yes/No) |
| (3014) | If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires: | | <input checked="" type="checkbox"/> (Yes/No) |
| (3015) | Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) | | <input checked="" type="checkbox"/> |
| (3016) | PDF of Balance Sheet, Income Statement and Statement of Cash Flows | | <input checked="" type="checkbox"/> |
| (3017) | If the response is yes on line 3014, attach your company's RUS annual report and all required documentation | Name of Attached Document Listing Required Information | 42213id3017 |
| (3018) | If the response is no on line 3014, Is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: | | <input type="checkbox"/> (Yes/No) |
| (3019) | Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications | | <input type="checkbox"/> |
| (3020) | PDF of Balance Sheet, Income Statement and Statement of Cash Flows | | <input type="checkbox"/> |
| (3021) | Management letter issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: | | <input type="checkbox"/> |
| (3022) | Copy of their financial statement which has been subject to review by an independent certified public accountant; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, | | <input type="checkbox"/> |
| (3023) | Underlying information subjected to a review by an independent certified public accountant | | <input type="checkbox"/> |
| (3024) | Underlying information subjected to an officer certification. | | <input type="checkbox"/> |
| (3025) | PDF of Balance Sheet, Income Statement and Statement of Cash Flows | | <input type="checkbox"/> |
| (3026) | Attach the worksheet listing required information | Name of Attached Document Listing Required Information | |

| | |
|---|--|
| Certification - Reporting Carrier Data Collection Form | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013 |
|---|--|

| | |
|---|--------------------|
| <010> Study Area Code | 472213 |
| <015> Study Area Name | ALBION TEL CO-ATC |
| <020> Program Year | 2014 |
| <030> Contact Name - Person USAC should contact regarding this data | Julie Laumb |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 208-673-5335 |
| <039> Contact Email Address - Email Address of person identified in data line <030> | jlaumb@atccomm.com |

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

| | |
|---|---|
| Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients | |
| I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate. | |
| Name of Reporting Carrier: ALBION TEL CO-ATC | |
| Signature of Authorized Officer: CERTIFIED ONLINE | Date 10/10/2013 |
| Printed name of Authorized Officer: Rich Redman | |
| Title or position of Authorized Officer: Vice President | |
| Telephone number of Authorized Officer: 208-673-5335 | |
| Study Area Code of Reporting Carrier: 472213 | Filing Due Date for this form: 10/15/2013 |
| Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001. | |

| | |
|---|--|
| Certification - Agent / Carrier Data Collection Form | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013 |
|---|--|

| | |
|---|--------------------|
| <010> Study Area Code | 472213 |
| <015> Study Area Name | ALBION TEL CO-ATC |
| <020> Program Year | 2014 |
| <030> Contact Name - Person USAC should contact regarding this data | Julie Laumb |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 208-673-5335 |
| <039> Contact Email Address - Email Address of person identified in data line <030> | jlaumb@atccomm.com |

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

| | |
|--|--------------------------------------|
| Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier | |
| I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate. | |
| Name of Authorized Agent: _____ | |
| Name of Reporting Carrier: _____ | |
| Signature of Authorized Officer: _____ | Date: _____ |
| Printed name of Authorized Officer: _____ | |
| Title or position of Authorized Officer: _____ | |
| Telephone number of Authorized Officer: _____ | |
| Study Area Code of Reporting Carrier: _____ | Filing Due Date for this form: _____ |
| <small>Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.</small> | |

TO BE COMPLETED BY THE AUTHORIZED AGENT:

| | |
|--|--------------------------------------|
| Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier | |
| I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate. | |
| Name of Reporting Carrier: _____ | |
| Name of Authorized Agent or Employee of Agent: _____ | |
| Signature of Authorized Agent or Employee of Agent: _____ | Date: _____ |
| Printed name of Authorized Agent or Employee of Agent: _____ | |
| Title or position of Authorized Agent or Employee of Agent: _____ | |
| Telephone number of Authorized Agent or Employee of Agent: _____ | |
| Study Area Code of Reporting Carrier: _____ | Filing Due Date for this form: _____ |
| <small>Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.</small> | |

Item 510

Albion Telephone Company, Inc. understands and complies with the Idaho Public Utilities Commission's *Telephone Customer Relations Rules*, IDAPA 31.41.01, adopted under the general legal authority of the Public Utilities Law, Chapters 1 through 7, Title 61, Idaho Code, and the Telecommunications Act of 1988, Chapter 6, Title 62, Idaho Code, with regards to service. These telephone customer relations rules provide a set of fair, just, reasonable, and non-discriminatory rules regarding deposits, guarantees, billing, application for service, denial of service, termination of service, complaints to telephone companies, billing for interrupted service, and provisions of certain information about customer to authorities. We conduct an annual CPNI and Red Flag Training session that every employee must attend and certify to the training. We send out a pamphlet to all our customers annually that explain the Public Utilities Commission's Telephone Customer Relations Rules and at this same time all our of Customer Service Representative read and go over the pamphlet at a training session.

Item 610

Pursuant to 47 C.F.R. § 54.313(a)(6) and/or 47 C.F.R § 54.422(b)(4) as set forth in 47 C.F.R. § 54.202(a)(2) Albion Telephone Company (ATC) meets the requirements to remain functional in emergency situations and has the following capabilities: Back-up power is provided to ATC's central offices by use of fixed generator and batteries that provide it with 24 hours of emergency power service. In addition, ATC's field electronics have 8 hours of back-up power by use of fixed/mobile generators and batteries. ATC also has two separate networks, ETHERNET and SONET technology in its network that allows for self-healing network should an equipment failure occur in its core network and will automatically reroute traffic. ATC is capable of managing traffic spikes resulting from emergency situations.



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Board of Directors
Albion Telephone Company, Inc.

We have audited the consolidated financial statements of Albion Telephone Company, Inc. and its subsidiary for the year ended December 31, 2012, and have issued our report thereon dated March 9, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and 7 CFR 1773, *Policy on Audits of Rural Utilities Service (RUS) Borrowers*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

In planning and performing our audit of the consolidated financial statements of Albion Telephone Company, Inc. for the year ended December 31, 2012, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

INDEPENDENT AUDITOR'S MANAGEMENT LETTER
(continued)

7 CFR 1773.33 requires comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters. We have grouped our comments accordingly. In addition to obtaining reasonable assurance about whether the consolidated financial statements are free from material misstatements, at your request, we performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security instrument provisions, and of additional matters. The specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, compliance with specific RUS loan and security instrument provisions set forth in 7 CFR 1773.33(e)(2) and related party transactions and investments. In addition, our audit of the consolidated financial statements also included the procedures specified in 7 CFR 1773.38-.45. Our objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, we express no opinion thereon.

No reports (other than our independent auditor's report, and our independent auditor's report on internal control over financial reporting and on compliance and other matters, all dated March 9, 2013) or summary of recommendations (other than the audit fieldwork exit memo) related to our audit have been furnished to management.

Our comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters as required by 7 CFR 1773.33 are presented below.

COMMENTS ON CERTAIN SPECIFIC ASPECTS OF THE INTERNAL CONTROL OVER FINANCIAL REPORTING

We noted no matters regarding Albion Telephone Company, Inc.'s internal control over financial reporting and its operation that we consider to be a material weakness as previously defined with respect to:

- The accounting procedures and records;
- The process for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts; and
- The materials control.

INDEPENDENT AUDITOR'S MANAGEMENT LETTER
(continued)

COMMENTS ON COMPLIANCE WITH SPECIFIC RUS LOAN AND SECURITY INSTRUMENT PROVISIONS

At your request, we have performed the procedures listed below with respect to compliance with certain provisions of laws, regulations, contracts, and grants. The procedures we performed are summarized as follows:

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract, agreement, or lease between the borrower and an affiliate for the year ended December 31, 2012, of Albion Telephone Company, Inc.;
 - Obtained and read a borrower-prepared schedule of new written contracts, agreements, or leases between the borrower and an affiliate as defined in 7 CFR 1773.33(e)(2)(i).
 - Reviewed Board of Directors' minutes to ascertain whether Board-approved written contracts are included in the borrower-prepared schedule.
 - Noted the existence of written RUS approval of each contract listed by the borrower.
- Procedures performed with respect to the requirement to submit the operating report for telecommunications borrowers to the RUS;
 - Agreed amounts reported in the operating report for telecommunications borrowers to Albion Telephone Company, Inc.'s records.

The results of our tests indicate that, with respect to the items tested, Albion Telephone Company, Inc. complied, in all material respects, with the specific RUS loan and security instruments provisions referred to below. The specific provisions tested, as well as any exceptions noted, include the requirements that:

- The borrower has obtained written approval of the RUS to enter into any contract, agreement, or lease with an affiliate as defined in 7 CFR 1773.33(e)(2)(i); and
- The borrower has submitted the operating report for telecommunications borrowers to the RUS and the operating report for telecommunications borrowers, as of December 31, 2012, represented by the borrower as having been submitted to the RUS is in agreement with Albion Telephone Company, Inc.'s audited records, in all material respects, and appears reasonable based on the audit procedures performed.

INDEPENDENT AUDITOR'S MANAGEMENT LETTER
(continued)

COMMENTS ON OTHER ADDITIONAL MATTERS

In connection with our audit of the consolidated financial statements of Albion Telephone Company, Inc., nothing came to our attention that caused us to believe the Company failed to comply with respect to:

- The reconciliation of continuing property records to the controlling general ledger plant accounts addressed at 7 CFR 1773.33(c)(1);
- The clearing of construction accounts and the accrual of depreciation on completed construction addressed at 7 CFR 1773.33(c)(2);
- The retirement of plant addressed at 7 CFR 1773.33(c)(3) and (4);
- The approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap addressed at 7 CFR 1773.33(c)(5);
- The disclosure of material related party transactions, for the year ended December 31, 2012, in the consolidated financial statements referenced in the first paragraph of this report addressed at 7 CFR 1773.33(e); and
- The detailed schedule of investments.

Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The detailed schedule of investments in affiliated companies required by 7 CFR 1773.33(i), and attached to this letter, is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as whole.

See attached RUS schedule of investments.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, and the RUS and supplementary lenders and is not intended to be, and should not be used by anyone other than these specified parties.

MOSS ADAMS LLP

Moss Adams LLP

Spokane, Washington
March 9, 2013

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0512-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

| USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | | <i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> BORROWER NAME Albion Telephone Company (Prepared with Audited Data) | | | |
|---|-----------------------|--|---|-----------------------|--------------------------|
| INSTRUCTIONS: Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only. | | PERIOD ENDING December, 2012 | BORROWER DESIGNATION ID0504 | | |
| CERTIFICATION We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES. DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII (Check one of the following) | | | | | |
| <input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects. | | <input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report | | | |
| Richard Redman | | 3/12/2013 DATE | | | |
| PART A. BALANCE SHEET | | | | | |
| ASSETS | BALANCE PRIOR YEAR | BALANCE END OF PERIOD | LIABILITIES AND STOCKHOLDERS' EQUITY | BALANCE PRIOR YEAR | BALANCE END OF PERIOD |
| CURRENT ASSETS | | | CURRENT LIABILITIES | | |
| 1. Cash and Equivalents | | | 25. Accounts Payable | | |
| 2. Cash-RUS Construction Fund | | | 26. Notes Payable | | |
| 3. Affiliates: | | | 27. Advance Billings and Payments | | |
| a. Telecom, Accounts Receivable | | | 28. Customer Deposits | | |
| b. Other Accounts Receivable | | | 29. Current Mat. L/T Debt | | |
| c. Notes Receivable | | | 30. Current Mat. L/T Debt-Rur. Dev. | | |
| 4. Non-Affiliates: | | | 31. Current Mat.-Capital Leases | | |
| a. Telecom, Accounts Receivable | | | 32. Income Taxes Accrued | | |
| b. Other Accounts Receivable | | | 33. Other Taxes Accrued | | |
| c. Notes Receivable | | | 34. Other Current Liabilities | | |
| 5. Interest and Dividends Receivable | | | 35. Total Current Liabilities (25 thru 34) | | |
| 6. Material-Regulated | | | LONG-TERM DEBT | | |
| 7. Material-Nonregulated | | | 36. Funded Debt-RUS Notes | | |
| 8. Prepayments | | | 37. Funded Debt-RTB Notes | | |
| 9. Other Current Assets | | | 38. Funded Debt-FFB Notes | | |
| 10. Total Current Assets (1 thru 9) | | | 39. Funded Debt-Other | | |
| NONCURRENT ASSETS | | | 40. Funded Debt-Rural Develop. Loan | | |
| 11. Investment In Affiliated Companies | | | 41. Premium (Discount) on L/T Debt | | |
| a. Rural Development | | | 42. Recacquired Debt | | |
| b. Nonrural Development | | | 43. Obligations Under Capital Lease | | |
| 12. Other Investments | | | 44. Adv. From Affiliated Companies | | |
| a. Rural Development | | | 45. Other Long-Term Debt | | |
| b. Nonrural Development | | | 46. Total Long-Term Debt (36 thru 45) | | |
| 13. Nonregulated Investments | | | OTHER LIAB. & DEF. CREDITS | | |
| 14. Other Noncurrent Assets | | | 47. Other Long-Term Liabilities | | |
| 15. Deferred Charges | | | 48. Other Deferred Credits | | |
| 16. Jurisdictional Differences | | | 49. Other Jurisdictional Differences | | |
| 17. Total Noncurrent Assets (11 thru 16) | | | 50. Total Other Liabilities and Deferred Credits (47 thru 49) | | |
| PLANT, PROPERTY, AND EQUIPMENT | | | EQUITY | | |
| 18. Telecom, Plant-In-Service | | | 51. Cap. Stock Outstand. & Subscribed | | |
| 19. Property Held for Future Use | | | 52. Additional Paid-In-Capital | | |
| 20. Plant Under Construction | | | 53. Treasury Stock | | |
| 21. Plant Adj., Nonop. Plant & Goodwill | | | 54. Membership and Cap. Certificates | | |
| 22. Less Accumulated Depreciation | | | 55. Other Capital | | |
| 23. Net Plant (18 thru 21 less 22) | | | 56. Patronage Capital Credits | | |
| 24. TOTAL ASSETS (10+17+23) | | | 57. Retained Earnings or Margins | | |
| | | | 58. Total Equity (51 thru 57) | | |
| | | | 59. TOTAL LIABILITIES AND EQUITY (35+46+50+58) | | |

Total Equity = XXXXXXXXXX % of Total Assets

Page 1 of 6

CONFIDENTIAL FINANCIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS.10-90, 07-135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO.10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION.

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| USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | | BORROWER DESIGNATION ID0504 | |
| INSTRUCTIONS- See RUS Bulletin 1744-2 | | PERIOD ENDING December, 2012 | |
| PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS | | | |
| ITEM | | PRIOR YEAR | THIS YEAR |
| 1. Local Network Services Revenues | | | |
| 2. Network Access Services Revenues | | | |
| 3. Long Distance Network Services Revenues | | | |
| 4. Carrier Billing and Collection Revenues | | | |
| 5. Miscellaneous Revenues | | | |
| 6. Uncollectible Revenues | | | |
| 7. Net Operating Revenues (1 thru 6 less 6) | | | |
| 8. Plant Specific Operations Expense | | | |
| 9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization) | | | |
| 10. Depreciation Expense | | | |
| 11. Amortization Expense | | | |
| 12. Customer Operations Expense | | | |
| 13. Corporate Operations Expense | | | |
| 14. Total Operating Expenses (8 thru 13) | | | |
| 15. Operating Income or Margins (7 less 14) | | | |
| 16. Other Operating Income and Expenses | | | |
| 17. State and Local Taxes | | | |
| 18. Federal Income Taxes | | | |
| 19. Other Taxes | | | |
| 20. Total Operating Taxes (17+18+19) | | | |
| 21. Net Operating Income or Margins (15+16-20) | | | |
| 22. Interest on Funded Debt | | | |
| 23. Interest Expense - Capital Leases | | | |
| 24. Other Interest Expense | | | |
| 25. Allowance for Funds Used During Construction | | | |
| 26. Total Fixed Charges (22+23+24-25) | | | |
| 27. Nonoperating Net Income | | | |
| 28. Extraordinary Items | | | |
| 29. Jurisdictional Differences | | | |
| 30. Nonregulated Net Income | | | |
| 31. Total Net Income or Margins (21+27+28+29+30-26) | | | |
| 32. Total Taxes Based on Income | | | |
| 33. Retained Earnings or Margins Beginning-of-Year | | | |
| 34. Miscellaneous Credits Year-to-Date | | | |
| 35. Dividends Declared (Common) | | | |
| 36. Dividends Declared (Preferred) | | | |
| 37. Other Debits Year-to-Date | | | |
| 38. Transfers to Patronage Capital | | | |
| 39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)] | | | |
| 40. Patronage Capital Beginning-of-Year | | | |
| 41. Transfers to Patronage Capital | | | |
| 42. Patronage Capital Credits Retired | | | |
| 43. Patronage Capital End-of-Year (40+41-42) | | | |
| 44. Annual Debt Service Payments | | | |
| 45. Cash Ratio [(14+20-10-11) / 7] | | | |
| 46. Operating Accrual Ratio [(14+20+26) / 7] | | | |
| 47. TIER [(31+26) / 26] | | | |
| 48. DSCR [(31+26+10+11) / 44] | | | |

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| USDA-RUS | | BORROWER DESIGNATION |
| OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | | ID0504 |
| INSTRUCTIONS -- See help in the online application. | | PERIOD ENDED December, 2012 |
| PART I - STATEMENT OF CASH FLOWS | | |
| 1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund) | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| 2. Net Income | | |
| <i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i> | | |
| 3. Add: Depreciation | | |
| 4. Add: Amortization | | |
| 5. Other (Explain) Change in Accrued Property Tax | | |
| <i>Changes in Operating Assets and Liabilities</i> | | |
| 6. Decrease/(Increase) in Accounts Receivable | | |
| 7. Decrease/(Increase) in Materials and Inventory | | |
| 8. Decrease/(Increase) in Prepayments and Deferred Charges | | |
| 9. Decrease/(Increase) in Other Current Assets | | |
| 10. Increase/(Decrease) in Accounts Payable | | |
| 11. Increase/(Decrease) in Advance Billings & Payments | | |
| 12. Increase/(Decrease) in Other Current Liabilities | | |
| 13. Net Cash Provided/(Used) by Operations | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| 14. Decrease/(Increase) in Notes Receivable | | |
| 15. Increase/(Decrease) in Notes Payable | | |
| 16. Increase/(Decrease) in Customer Deposits | | |
| 17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities) | | |
| 18. Increase/(Decrease) in Other Liabilities & Deferred Credits | | |
| 19. Increase/(Decrease) in Capital Stock, Paid-In Capital, Membership and Capital Certificates & Other Capital | | |
| 20. Less: Payment of Dividends | | |
| 21. Less: Patronage Capital Credits Retired | | |
| 22. Other (Explain) | | |
| 23. Net Cash Provided/(Used) by Financing Activities | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| 24. Net Capital Expenditures (Property, Plant & Equipment) | | |
| 25. Other Long-Term Investments | | |
| 26. Other Noncurrent Assets & Jurisdictional Differences | | |
| 27. Other (Explain) Net Retirement of Assets | | |
| 28. Net Cash Provided/(Used) by Investing Activities | | |
| 29. Net Increase/(Decrease) in Cash | | |
| 30. Ending Cash | | |

Revision Date 2010

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